

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Release Number: 201447044
Release Date: 11/21/2014
Date: August 28, 2014

Employer Identification Number:

Contact person - ID number:

Contact telephone number:

LEGEND:

S= school
V= county, state
x = dollar amount
y= dollar amount

UIL:

4945.04-04

Dear :

You asked for advance approval of your scholarship grant procedures under Internal Revenue Code section 4945(g). This approval is required because you are a private foundation that is exempt from federal income tax. You requested approval of your scholarship program to fund the education of certain qualifying students.

Our determination

We approved your procedures for awarding scholarships. Based on the information you submitted, and assuming you will conduct your program as proposed, we determined that your procedures for awarding scholarships meet the requirements of Code section 4945(g)(1). As a result, expenditures you make under these procedures won't be taxable.

Also, awards made under these procedures are scholarship or fellowship grants and are not taxable to the recipients if they use them for qualified tuition and related expenses (subject to the limitations provide in Code section 117(b)).

Description of your request

You will enhance access to higher education by providing scholarships for worthy graduates of S located in V. The scholarships are awarded to students attending vocational/technical school or pursuing a four-year degree at a college or university.

The number of scholarships distributed will vary depending on the amount of funds available and upon the amount you are required to annually distribute to satisfy Code Section 4942. However, the amount of each award generally ranges from x to y dollars. It is estimated that up to 150 individuals are eligible to apply for the scholarship, annually, and you will aim to award about one-third of the scholarships to those attending

vocational school and the remaining two-thirds of the scholarships for those attending full universities.

Scholarships are publicized on the S website. To be eligible students from S must have maintained at least a 2.0 grade point average through seven semesters of high school and have been accepted to an accredited college, university or trade school. The college, university or trade school must be approved by the scholarship selection committee.

Each year you advise the scholarship selection committee of the amount of funds available to be awarded as scholarships. The members of the selection committee review the scholarship applications and rank the applicants based on GPA, financial need and a required activity log. The scholarship selection committee reviews the applicants and makes a recommendation to you regarding the amount that should be awarded to each applicant. The monetary value of each scholarship is determined upon mutual agreement between you and the scholarship committee. All scholarships are awarded on an objective and non-discriminatory basis. No scholarship is awarded to any disqualified person as defined in Code Section 4946.

Each scholarship recipient shall remain eligible for renewals as long as the recipient continues to pursue the course of study he or she originally selected and the trade school, college or university originally selected. Any proposed change in the course of study originally chosen, or the location of the trade school, college or university selected must be properly reported in advance to and approved by the scholarship selection committee in order for the scholarship recipient to remain eligible for benefits in accordance with the rules and regulations adopted by the scholarship selection committee. You require the student to provide an official transcript along with a copy of their schedule for the upcoming semester. If the student fails to continue their studies, any remaining unused funds attributable to their scholarship must be returned.

Scholarships granted for degree scholarships shall be awarded for a maximum of four school years. Scholarships granted for vocational schools shall be awarded for the number of years necessary to complete the vocational courses specified by the scholarship recipient in their application.

You pay the scholarship proceeds directly to the school that the recipient attends for the benefit of the recipient. You provide a letter to each school specifying that the school's acceptance of the funds constitutes the schools agreement to notify you and refund any unused portion of the scholarship if a scholarship recipient fails to meet any term or condition of the scholarship.

If the school will not agree to such terms, they are to return the check and you will obtain proof of enrollment and a grade transcript from the student. You will do this by sending a grant letter to the student and having them sign to acknowledge individual expenditure responsibility before any check is mailed. If the student does not sign the agreement and provide proof of enrollment and grade transcripts, they will not receive the scholarship.

Please keep a copy of this letter in your records.

If you have questions, please contact the person listed at the top of this letter.

Sincerely,

Director, Exempt Organizations